

THE FRENCH ADMINISTRATION OF INDOCHINA

any colonial post simply because he had been a successful Governor of West Africa. Unfortunately, experience proved him unsuited to Indo-China. He continued Long's revision of the local administration, by giving more powers and a wider representation to the *Conseil de Gouvernement*. Financial decentralization reached its nadir under Merlin. The federal budget ceased to devote itself to works of general interest, so as to become the subsidizer of the local budgets, which were constantly in arrears. In a period of obviously increasing prosperity, Indo-China presented the curious spectacle of state finances in ever-increasing distress. The growing importance of Indo-China in the Far East was shown by a tour made by Merlin in the neighbouring countries. At a banquet given for him in Canton, a bomb which was thrown for his special destruction by an Annamite nationalist succeeded in demolishing five of his compatriots. The financial deficit, as well as this evidence of Merlin's unpopularity, were the causes of his recall in 1925.

A Socialist deputy, Alexandre Varenne, in spite of colonial inexperience, was thought to be a happy successor to Merlin because of his liberal opinions and financial *expertise*. He succeeded admirably in pulling the colony out of its fiscal morass. The general budget was fed by economies and new taxes, though a projected assessment on income was howled down by Cochin-China. The reserve fund was filled once again and the local budgets forced to stand on their own feet. This policy, amounting virtually to financial centralization, was reversed when applied to the federal government, where Varenne continued the work of decentralization. He strove further

to revitalize the
commune and took up the crusade against Paris's
encroachments on
the Governor-General's independence of action. It was
in the field of
native policy, however, that Varenne's work was
outstanding. Like
Sarraud, his sincere desire to ameliorate native
conditions won him
great popularity.

The problem of native admission to government
office was faced
courageously by Varenne, by contrast with Long, who
had really
avoided the issue. Although a financial distinction was
maintained,
because of the essential difference in standards of
living, Varenne cut
the Gordian knot when he suppressed obligatory
naturalization *for*
natives. Henceforth they could qualify for
administrative jobs on a
equal footing with the French* Naturally French
functionaries were
armed by this increasing parity. No one could
seriously cast doubt
on the Annamites' intellectual attainments, but with
far more justice